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30 January 2026

Australian Bond Exchange Holdings Limited (ASX: ABE) – Appendix 4C and Quarterly Business Update for Q2 FY26

Australian Bond Exchange Holdings Limited (ASX: ABE) (“ABE” or “the Company”) is pleased to release its Appendix 4C Cash Flow Report and provide a business update for the quarter ended 31 December 2025 (Q2 FY26).

Quarterly Highlights

Successful execution of live use-case testing in the Reserve Bank of Australia-led Project Acacia CBDC pilot

During the quarter, ABE successfully completed live use-case testing as part of Project Acacia, a joint initiative between the Reserve Bank of Australia and the Digital Finance Cooperative Research Centre exploring the use of central bank digital currency (CBDC) for wholesale financial markets.

ABE’s participation demonstrates the ability of its proprietary trading and settlement infrastructure to support atomic, real-time settlement of tokenised fixed income instruments using CBDC-based money, materially reducing counterparty risk, settlement latency, and capital inefficiency in bond markets.

This places ABE among a small group of financial institutions globally operating at the intersection of regulated capital markets, tokenised assets and central bank digital currency infrastructure.

Expansion of Product offering

During the period, ABE added another security to its approved product list and participated in the senior secured medium-term notes issued by Zagga Investments 2 Pty Ltd ATF Zagga Investments Lending Trust 7.

Cost Reduction Programme

ABE continued its cost reduction activities with the restructure of its subsidiary entities that is expected to lead to a further reduction in the cost base in future periods.

Strategic Overview

ABE is a financial technology and services company focused on democratizing access to the OTC market for retail investors, wealth managers, and institutions. The Company remains committed to its vision: **delivering equal access to high-quality financial markets and products through inclusive, transparent, and efficient infrastructure.**

ABE’s participation in Project Acacia represents a structural step-change in its strategic positioning. Rather than operating solely as a bond broker or trading venue, ABE is now being validated by the

Reserve Bank of Australia as a participant in the next generation of wholesale market infrastructure — combining regulated securities, tokenised assets and central bank digital money. This materially expands ABE's addressable market, defensibility, and potential enterprise value.

ABE has, almost since inception, been focussed beyond that of bond broker. ABE's participation in Project Acacia represents yet another example of its strategic positioning beyond operating solely as a bond broker or trading venue and highlights ABE's Fintech credentials.

Technology and Innovation

During the quarter ABE continued to advance the development and commercialisation of its proprietary technology platform designed to enhance transparency, efficiency, and accessibility in fixed income and credit markets. The Group's technology roadmap remains central to its strategic objective of delivering near real-time market access and settlement for all investors.

Institutional Fixed Income Order Management System OMS and Trading Capability – continuous improvements made

- Delivery and hardening of Institutional OMS functionality continued, with an emphasis on reliability, execution accuracy, and operational resilience, supporting approximately \$1B in monthly order volume.
- Desk-facing analytics and reporting capabilities were expanded and maintained to enable real-time monitoring and more informed trading decisions.
- Technology maintained an embedded relationship with institutional traders, rapidly translating desk requirements into deployed functionality and incremental operational enhancements.

Project Acacia – RBA-Led CBDC & Tokenised Bond Markets

During Q2 FY26, ABE actively participated in Project Acacia, the Reserve Bank of Australia's flagship initiative to evaluate how CBDC, deposit tokens and tokenised assets can be used to modernise Australia's wholesale financial markets.

ABE's role focused on demonstrating real-time, delivery-versus-payment (DvP) settlement of tokenised fixed income instruments using CBDC on distributed ledger infrastructure.

This is directly aligned with ABE's long-term strategy of building a fully digital, atomic settlement environment for bonds, credit and structured products, enabling:

- Instant settlement instead of T+2
- Removal of clearing and settlement intermediaries
- Lower capital and margin requirements
- Reduced operational and counterparty risk
- Greater liquidity in OTC fixed income markets

Participation in Project Acacia validates ABE's technology roadmap and positions the Company as a future infrastructure provider as CBDC and tokenised securities move from pilot to production environments in Australia and globally.

Financial Performance

ABE reported a net operating cash outflow of \$0.4 million for the quarter, an improvement on the previous quarter of \$0.7m.

Institutional trading continued to contribute to revenue, and although private client volumes are lower this quarter, client trading and brokerage continue to deliver sustained contributions to revenue.

ABE expects a reduction in the net cash used in operating activities due to identified revenue diversification and stabilisation opportunities. The impact of several expense reduction initiatives is beginning to be reflected in improved results; however, additional cost reductions have not yet flowed through the operating results and are expected to be recognised in future periods. The Company continues to focus on expanding sales across both its existing client base and new client segments.

Operational Activities

In addition to the institutional order flow that surpassed \$2.8 billion for the quarter, ABE secured \$3.5 million of the oversubscribed Zagga corporate note for its private investor clients, providing access to a fixed income investment with a current yield of ~7.85% per annum or Bank Bill Swap Rate (BBSR) + 4.2%.

The oversubscription of this issuance evidences the strong investor appetite for disciplined commercial real estate credit investment.

Financing Activities

During the quarter, ABE received debt funding of \$130,000. The loan is repayable within 3 years from the date of drawdown.

At the AGM in November 2025, ABE obtained shareholder approval to issue up to an additional 10% of the issued capital of the company in accordance with Listing Rule 7.1A (taking the total placement capability to 25% of issued capital in the company) and up to \$10 million in convertible notes. The company may use one or both options to raise funds.

Related Party Payments

In accordance with ASX Listing Rule 4.7C.3, the Company advises that \$194,548 was paid to related parties during the quarter, as disclosed in Item 6 of the Appendix 4C. These payments relate to director remuneration including salaries and fees.

Authorised for release by the Board

Vicki Grey

Company Secretary

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About Australian Bond Exchange Holdings

Australian Bond Exchange Holdings (ASX: ABE) is an Australian financial services company that uses its proprietary technology to provide Australian Investors with direct access to the best of the fixed income asset class in Australia and internationally.

ABE's access and proprietary technology allows "access for all" in a transparent and efficient way. Transparent trading allows investors, brokers and advisers to deliver highly demanded fixed income asset class product to end clients.

This is coupled with an advanced AI driven Product Governance model, which allows greater investor protections, providing a new over the counter venue for private investors, financial advisers, and investment professionals to access the global financial markets.

ABE is eliminating barriers to entry to the bond market, providing access, efficiency, lower cost and transparency.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Australian Bond Exchange Holdings Limited

ABN

11 629 543 193

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	8,777	25,488
1.2	Payments for		
	(a) research and development	-	-
	(b) product manufacturing and operating costs	(8,381)	(24,463)
	(c) advertising and marketing	(30)	(56)
	(d) leased assets	(151)	(301)
	(e) staff costs	(460)	(1,103)
	(f) administration and corporate costs	(116)	(527)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	2	44
1.5	Interest and other costs of finance paid	(78)	(215)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(437)	(1,133)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	(24)	(57)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(24)	(57)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	210	210
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	210	210

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	279	1,008
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(437)	(1,133)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(24)	(57)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	210	210
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	28	28

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	28	279
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	28	279

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	195
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(437)
8.2	Cash and cash equivalents at quarter end (item 4.6)	28
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	28
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	0.06
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: No. ABE expects a reduction in the net cash used in operating activities due to identified revenue diversification and stabilisation opportunities.	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: At the AGM in November 2025, ABE received shareholder approval to issue up to 25% additional shares under Listing Rule 7.1A and up to \$10 million in convertible notes. The company may use one or both of these options to raise funds.	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes. There are several expense reductions activities Management has undertaken that have not yet been reflected in the results but will be recognised in future periods. These reductions are not expected to affect the revenue of the business. Further, ABE is confident that it will be able to raise additional funds via the issue of additional share capital and/ or issue of up to \$10 million in convertible notes.

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026.....

Authorised by: By the Board.....

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.